

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7361**

**BILL NUMBER:** HB 1599

**NOTE PREPARED:** Jan 11, 2003

**BILL AMENDED:**

**SUBJECT:** Sales Tax Exemption for Hobby Related Sales.

**FIRST AUTHOR:** Rep. Reske

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
X DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill provides that an individual who sells tangible personal property is not liable for collecting and remitting the state Gross Retail Tax (Sales Tax) or registering a retail merchant if the sales:

- (1) are not made in the course of the person's regular business;
- (2) are not conducted during more than 30 days in a calendar year; and
- (3) generate less than \$1,200 in gross receipts during a calendar year.

The bill allows a person qualifying for the exemption to obtain a de minimis seller's certificate from the Department of State Revenue. The bill provides that the issuance of a de minimis seller's certificate serves as prima facie proof that the person qualifies for the exemption. It also provides that if a person who qualifies for the exemption receives \$1,200 or more in gross receipts during a calendar year, the person must remit to the Department an amount equal to 6% of the total gross receipts for the calendar year.

**Effective Date:** Upon passage; January 1, 2004.

**Explanation of State Expenditures:** *Department of State Revenue:* This bill will require the Department of Revenue to develop methods and forms related to the issuance of de minimis seller's certificates. It is presumed that the administrative costs associated with this proposal will be covered using existing staff and resources.

**Explanation of State Revenues:** Exempting certain sellers that sell less than \$1,200 a year from remitting the state's Sales Tax could reduce the state's Sales Tax receipts. Any impact is estimated to be negligible.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** John Parkey, 317-232-9854